

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

SERVICE PERFORMANCE AND  
CUSTOMER SATISFACTION REPORTING

DOCKET No. RM2022-7

**COMMENTS OF MAILERS HUB LLC**  
(October 28, 2022)

Pursuant to Order No. 6275, Mailers Hub LLC submits the following comments on the above-cited docket.

**I. INTRODUCTION**

Mailers Hub LLC is a commercial subscription-based organization that provides representation and postal- and mailing-related information, resources, training, and support to commercial mail producers, including printing and mailing service providers. Mailers Hub LLC also partners with other industry groups on postal and regulatory affairs of common interest.

**II. BACKGROUND**

As stated in the Advance Notice of Proposed Rulemaking (Order No. 6160, April 26, 2022) and in the subsequent notice establishing this docket (Order No. 6275, September 21, 2022), the Commission has been directed to prescribe the content and form of the public reports that the Postal Service files with the Commission. In doing so, “the Commission must attempt to provide the public with timely information that is adequate to allow it to assess the lawfulness of Postal Service rates, should attempt to avoid unnecessary or unwarranted Postal Service effort and expense, and must endeavor to protect the confidentiality of commercially sensitive information.”

In order to construct the “dashboard” on which to present the prescribed information related to USPS service performance, the Commission is soliciting a second round of comments about the optimal content and presentation format.

**III. COMMENTS ON ELEMENTS OF THE PROPOSED RULE**

In its proposed rule published in the September 30, 2022, issue of the *Federal Register* (87 FR 189, 59363-59370), after having received and analyzed comments on its Advance Notice of Proposed Rulemaking, the Commission presented seven components (some multi-part) of the service performance measurement and reporting to be required of the Postal Service.

A. General.

Mailers Hub finds the Commission’s expanded requirements for service performance measurement and reporting supportive of the interests of commercial mail producers and the ratepaying public in receiving both the highest levels of service *and* the most transparent accounting for the Postal Service’s performance.

We believe greater detail and specificity are critical, especially in light of the homogenized numbers that the Postal Service is currently disseminating in its weekly press releases. Mailers Hub believes that replacing such “spin” with undissembled data is more conducive to a valid statement about real USPS service performance and the actual service experience of ratepayers. Within a class of market-dominant mail, mailings of different processing categories (e.g., letters and flats), at different price and preparation levels (e.g., single-piece through saturation), and moving through different parts of the national network receive different service for a variety of reasons. Therefore, reporting service performance with the least possible granularity – such as nationally for a class as a whole – suggests more an effort to obscure less commendable lower level performance data than a willingness to be fully transparent and objective.

For its own purposes, the Postal Service can and does aggregate detailed information from points throughout the mailstream – from mail entry through delivery – and, based on those data, produces for internal users reports and “dashboards” at a level of granularity far beyond what it presents to the public and the Commission. Accordingly, notwithstanding the agency’s simple institutional unwillingness to disclose more than required, we believe it is wholly inappropriate for the Postal Service to be less than forthright about its performance achievements or shortfalls with the Commission and the ratepaying public. Being able to withhold information about service, for any reason, fosters the appearance of an attitude that if no-one outside has meaningful information and can hold the agency accountable for service, it can avoid the difficult work of effectively resolving service problems.

B. Comments on specific elements of the proposed rule.

*“First, the Commission proposes a provision requiring the Postal Service to report average actual “delivery days” – i.e., days in which Market Dominant products are eligible for delivery – for each Market Dominant product. The Commission finds the metric of average actual delivery days an easier metric to understand for some mailers than the percentage of on-time delivery metric. Under this proposed provision, the Postal Service must also report the following information on dispersion around the average: percent delivered within +1 day of service standard, percent delivered within +2 days of service standard, and percent delivered within +3 days of service standard. These data must be reported for each Market Dominant product at the current District, Postal Administrative Area (Area), and National levels both quarterly in the Service Performance Measurement (SPM) reports and annually in the Annual Compliance Review (ACR) reports.”*

We believe that the definition and calculation of “delivery days” need to be amended. Delivery is the final step in a mailpiece’s journey from acceptance (or collection) through processing, transportation, preparation for delivery, and – finally – movement from the delivery facility to a customer’s mail receptacle. Therefore, measuring total time from origin to mailbox or the achievement of a service standard is different from delivery performance.

The Postal Service currently has distinct functional groups assigned to mail processing, transportation (logistics), and delivery, each with management aligned from Headquarters through the field. Each has its own internal methods and systems for data collection about its operational performance, whether machine usage, processing volume, and compliance with operating plans; performance of air and surface transportation suppliers; or the staffing and efficiency of delivery units. Measuring or reporting end-to-end “delivery days” fails to expose where individual functional contributors to overall service performance enable or impair desirable end-to-end service.

Accordingly, and aside from reports about end-to-end service, discussed below, the Commission's required data about "delivery days" should be focused on the "last mile," i.e., how well a delivery unit moves mail to customers once it is made available for delivery. The performance of the delivery function in each delivery unit is known and visible to USPS Headquarters and subordinate field managers in nearly real time, so making that specific data transparently visible to ratepayers – or at least to the Commission – on at least a weekly basis should not be a burden to the USPS.

Similarly, given that the other functions involved – processing and logistics – have their own analogous tools, measurements, and systems, the Commission should require those functions to report on the achievement of their own targets, e.g., clearance of mail for dispatch and on-time transportation, on a similarly frequent schedule.

Absent such functional reporting, service performance failures in any of the three functional areas – specific processing facilities, transportation service providers, or delivery units – would occur without full visibility into the points of failure and without a corresponding level of expectation by the Commission, if not ratepayers, that effective remedial steps would be undertaken.

Moreover, clear information about underperforming processing facilities, problematic transportation lanes, or challenged delivery operations would provide candid and accurate guidance to mail producers and logistics providers, thus enabling them to evaluate alternatives for when and where mail should be entered into the mailstream so as to avoid points of potential service failure.

*"Second, the Commission proposes a provision requiring the Postal Service to report point impact data for the top 10 root causes of on-time performance failures for each Market Dominant product (except those included in Special Services) that did not meet its service performance goal pursuant to Sec. 3055.2(d). Balancing the utility of the data with the burden to the Postal Service, the Commission notes that point impact data is useful for isolating significant drivers of delay for products that do not meet their service performance goals while avoiding the additional costs of reporting on products that do. For First-Class Mail products that do not meet their service performance goals, the Postal Service must report the top 10 root causes of failure at both the Area level and National level. For the remaining Market Dominant products that do not meet service performance targets, the Postal Service must report the top 10 root causes of failure at the National level. Reporting must occur annually in the ACR."*

Doing root-cause analysis of problems needs to be more specifically focused than on an entire market dominant product or on a broad geographic area.

Taking as an example the clear historical record of challenges in the timely processing of flats, their causes and the potential remedies for them are neither one-size-fits-all nor applicable in a general manner over a large geographic area. As the quarterly data now provided by the USPS shows, some organizational areas (and their subordinate facilities) do a better job than others at processing flats. Accordingly, to continue the example, any requirement to report the "Top 10" failures may not generate actionable information if it's only for all Saturation flats in a given administrative area. Such a general report does not disclose (or encourage remediation of) a problem at a specific facility, in a specific transportation lane, or at a particular delivery unit that may be the true root cause of the performance failure.

Moreover, reporting on root causes should be required more often than annually. A service failure should not be allowed to continue – or await remediation – that long given the awareness (using data) of challenges in the major functional areas and the availability of corrective methods on a virtually real-time basis.

Finally, it serves little purpose to know the root causes of any service failure if there's no plan for rectification. Accordingly, the Commission should require that any listed failure be accompanied by a detailed remediation plan and – more importantly – the Commission should require periodic progress reports to assure those steps are both completed and effective.

*“Third, the Commission proposes that the Postal Service report data related to its Site-Specific Operating Plans (SSOPs), by Region and Division (as identified in the SSOPs) and at the National level, both quarterly and annually. The Commission originally suggested that the Postal Service report the performance for each national operating plan target; however, because the Postal Service reported that it no longer uses such targets, the Commission determined that SSOP information should be utilized instead. While these new data do not specifically address the performance of the entire postal network, they do provide performance data (i.e., percent on-time performance for each SSOP measurement category, such as “Flat Sequencing System”) subdivided into Regions and Divisions as well as at the National total.”*

Among the objectives of the Postal Service's incipient network reorganization effort is the standardization of facility configurations and, in turn, of facility operation plans. Though the achievement of that end-state may be far in the future, it remains valuable for the Postal Service to report data related to its Site-Specific Operating Plans, but we would urge that the reporting level be by processing facility as that level is where plans are implemented and thus is the most relevant. Service performance at an aggregate level may be an indicator of overall achievement, but does not reveal anything about where or why less than full achievement of plans or standards is occurring. Given the number of facilities in the postal network, reporting at a regional, division, or national level might only reveal that an unspecified facility somewhere in that organizational area is failing to adhere to an SSOP, which is not actionable information that the Commission can use to require corrective action by the USPS.

As with the reporting on root causes of failures, reporting on failures to follow SSOPs should be required more often than quarterly, and the Commission should require that any listed failure be accompanied by a detailed remediation plan and a requirement for periodic progress reports to assure the plan is both completed and effective.

*“Fourth, the Commission proposes that Postal Service report the performance of each nonpostal product in the ACR, as required by 39 U.S.C. 3705. The Commission proposes that these performance data be disaggregated by District and Area as well as for the Nation on an annual and quarterly basis.”*

To the extent that a particular non-postal product may be a significant contributor to overall revenue or customer satisfaction, the Commission may want to consider requiring reporting on a more frequent, and more granular basis, in line with the Postal Service's capability to gather and report the underlying data.

*“Fifth, the Commission proposes that the Postal Service report: (a) mail excluded from measurement, disaggregated by reason(s) for exclusion; and (b) mail volumes measured and unmeasured by Full Service Intelligent Mail barcode (IMb). With respect to reporting such mail volumes disaggregated by reason for exclusion, the Commission proposes that the current quarterly report (filed as a spreadsheet attachment to the Postal Service's quarterly reports on service performance) be modified to include the number of mailpieces excluded from measurement for each exclusion category as well as the percentage of the total exclusions represented by that exclusion category. This additional reporting is warranted because the percentage*

*calculations alone without the supporting volume data do not allow for the evaluation of performance trends over time. The Postal Service must report these data both on a quarterly basis on the same schedule as its Quarterly Reports pursuant to 39 CFR part 3055, subpart B (in other words, 40 days after the close of the quarter) and annually in the ACR. Regarding the report on mail volume measured and unmeasured by IMb, for each field in the current form (filed as a spreadsheet attachment to the Postal Service's quarterly reports on service performance), the Postal Service should also present the same data point from the same period in the previous year. In addition, the Postal Service should present for each product category: (1) the percentage of mailpieces in measurement compared to total mailpieces; (2) the percentage of mailpieces not in measurement compared to total mailpieces; (3) the percentage of Full-Service IMb mailpieces in measurement compared to total IMb Full-Service mailpieces; and (4) the percentage of Full-Service IMb mailpieces not in measurement compared to total IMb Full-Service mailpieces. These additional data points will be valuable for mailers and the Commission to evaluate measured and unmeasured mail volumes over time. The Postal Service should report these data on a quarterly basis, 60 days after the close of each quarter, and annually in the ACR. The Commission also proposes codifying the existing requirement that the Postal Service must provide descriptions of the current methodologies used to verify the accuracy, reliability, and representativeness of service performance data for each service performance measurement system 90 days after the close of each fiscal year."*

Mailers Hub agrees with the Commission's requirement for data about mail excluded from measurement, but we believe that the reporting of such data should be more frequent than quarterly (let alone annually). Moreover, we believe that reporting numbers isn't enough. To the extent that any significant proportion of the mailstream is not in measurement, the Commission should require the Postal Service to submit action plans to reduce or eliminate such exclusions, and periodic reports about the effectiveness of such measures. Because, in some situations, the Postal Service may now lack the opportunity to capture what it believes to be the necessary scan events, that should not relieve it either from reporting what it can with appropriate caveats or from developing alternative means to obtain the scans it believes necessary.

As noted above, the applicable data is developed on an ongoing basis, so the output of data on a weekly or monthly frequency should not represent a significant burden. Moreover, to the extent that mail excluded from measurement should be minimized, a more frequent schedule for reporting unmeasured volume, accompanied by ameliorative measures and goals, enables the Commission to see the results of efforts to include more mail more quickly than otherwise would be possible over longer intervals.

*"Sixth, pursuant to 39 U.S.C. 3692(b)(2) and (c), the Commission proposes the specific requirements for the Postal Service's online dashboard of service performance data for each Market Dominant product. The Commission proposes requiring the Postal Service to present service performance results for each ZIP Code, District, and Area, as well as at the National level, updated on a weekly basis. The dashboard should include a 5-Digit ZIP Code lookup feature that allows the user to see the service performance results for their ZIP Code and match their ZIP Codes with the corresponding District and Area. With respect to the specific service performance information available on the dashboard, it must provide the following data (at a minimum): (1) service performance (measured as a percent on-time delivery and average delivery days) by each Market Dominant mail class, product, and applicable service standard by District, Area, Nation, and 5-Digit ZIP Code; (2) service performance (measured as a percent on-time delivery and average delivery days) by Market Dominant mail class, product, and applicable service standard, by time period of the user's selection, along with the previous two fiscal years; and (3) service performance (measured as a percent on-time delivery and average delivery days) by Market Dominant mail class, product, and applicable service standard based on a selected pair of origin/destination 3-Digit or 5-Digit ZIP Code that a user would choose. The dashboard should improve transparency, promote accountability, provide actionable data, and thus lead to improved service performance. The Commission also proposes that the Postal Service report several other*

*categories of mail on the dashboard: (1) political and election mail; (2) Reply Mail within the First-Class Single-Piece Mail category; and (3) nonprofit mail (specifically USPS Marketing Mail mailpieces that qualify for reduced rates pursuant to 39 U.S.C. 3626(a)(6) and the regulations promulgated thereunder and Periodicals mailpieces that qualify for reduced rates pursuant to 39 U.S.C. 3626(a)(4) and the regulations promulgated thereunder)."*

Mailers Hub believes the granularity and frequency of the data required by this element of the proposed rule is strongly supportive of the Commission's overall objective. If coupled with the enhancements suggested above about "delivery days" and the performance of the other major functions (processing and logistics), the top-level view of service performance provided by this dashboard, as well as the capability for users to "drill-down" into more granular supporting data, will enhance the transparency and accountability sought by the Commission.

We offer a few other suggestions:

- (1) The final rule should be clear to the extent that a delivery unit may not directly correspond to a ZIP Code – such as when several delivery units and/or ZIP Codes are consolidated into a single delivery operation, as is planned for the Postal Service's Sort & Delivery Centers, or when five-digit ZIP Codes for carrier delivery areas and/or post office box sections and/or unique ZIP Codes are all served by the same delivery unit.
- (2) Because the service measurement for political and election mail is dependent upon the sender's preparation of the mail (e.g., under *Domestic Mail Manual* 703.8 for ballots), provisions should be added to require specific preparation or marking by the sender, or to limit the measurement of service for political and election mail to that which is readily identifiable by the Postal Service without exceptional effort.
- (3) The term "reply mail" should be clarified to include all identifiable forms (Business Reply Mail, Courtesy Reply Mail, and Permit and Prepaid Reply Mail) that are marked and prepared according the applicable DMM standards (DMM 505.1 and 505.2).

*"Seventh, the Commission proposes to formally codify requirements that will ensure the continuation of the existing auditing program and to consolidate the existing requirements (which are dispersed in multiple orders). Therefore, consistent with the existing auditing program, the Commission proposes to require that: (1) the Postal Service shall continue with its program to provide third-party audits of its service performance measurement systems; (2) for any measure deemed by the auditor to be not achieved or partially achieved, the Postal Service shall continue to include its response explaining the Postal Service's mitigation plan; (3) the Postal Service shall file each audit report (and its response) with the Commission no later than 60 days after each applicable reporting quarter; and (4) the audit reports shall continue to specifically include inbound and outbound single-piece First-Class Mail International and the Green Card option of the Return Receipt as well as the metrics used to perform the audits and analysis specific to these types of services."*

Mailers Hub has no comment on this component of the proposed rule except as noted below.

#### C. Comments on other service matters.

- (1) Though not included in the types of mail required to be in measurement or about which the USPS must present service performance data, Mailers Hub urges the Commission to require the development of processes to enable inclusion of single-piece First-Class Mail in measurement and performance reporting. That volume is not included in current measurement or reporting despite the sensitivity of customers of the category to price and the convenience of electronic alternatives for faster service. The Postal Service's

cancellation and origin sortation processes can provide unique identity for pieces of single-piece First-Class Mail. Though the Postal Service's usual "start-the-clock" rules may not be directly applicable to such mail, adopting an alternate proxy event can allow measurement of service through the remainder of the mailstream and enable providing senders with a reasonable report of the service their mail received.

- (2) More specific requirements should be established regarding the service afforded return receipts, such as those attached to Certified Mail. Given that the host pieces move in the same mailstream as non-accountable mail, the appropriate treatment is not consistently rendered to the return receipts when the host pieces are provided to carriers or delivered. Mailers Hub believes that requiring measurement and reporting of the service provided to return receipts may result in the development of improved Postal Service processes to optimize the service they receive.

#### **IV. CONCLUSION**

We appreciate the opportunity to offer our comments on the Commission's proposed rule. We realize that many sets of comments will be submitted, and that the divergence of the represented perspectives may be significant. Regardless of how this rulemaking is concluded, we commend the Commission for striving to provide greater understanding of, and visibility into, matters related to USPS service performance about which most postal customers may be minimally aware, but whose importance cannot be overlooked.

Respectfully submitted,

/s/

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